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December 22, 2003

VIA HAND DELIVERY

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
Wireline Competition Bureau
P.O. Box 358145
Pittsburgh, PA 15251-5145

REC-11/21/03
DEC 22 2003

**Re: Application of Lightyear Communications, Inc. and Lightyear
Telecommunications, LLC for Approval of Assignment and Transfer of
Domestic 214 Authority**


Dear Ms. Dortch:

On behalf of Lightyear Communications, Inc., Lightyear Telecommunications, LLC (collectively, the "Lightyear Companies") and Lightyear Network Solutions, LLC ("New Lightyear"), enclosed please find an original and six (6) copies of an application for Commission approval to assign and transfer the domestic 214 authority of the Lightyear Companies to New Lightyear. Pursuant to Section 63.04(b) of the Commission's rules, Applicants submit this filing as a combined domestic section 214 transfer application and international section 214 transfer application ("Combined Application"). Applicants are simultaneously filing the Combined Application electronically via the International Bureau's Electronic Filing System ("IBFS").

Also enclosed is check in the amount of \$860.00, payable to the Federal Communications Commission, which satisfies the filing fee required for this application under line 2.b of Section 1.1105 of the Commission's rules.

Please date-stamp the enclosed extra copy of this filing and return it in the envelope provided. Please do not hesitate to contact us if you have any questions regarding this filing.

Respectfully submitted,


William B. Wilhelm, Jr.
Douglas D. Orvis II
Counsel to Applicants

Enclosure

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
)	
)	
Lightyear Communications, Inc.,)	File No. ITC-T/C-2003 _____
Lightyear Telecommunications, LLC)	
and Lightyear Network Solutions, LLC)	WC Docket No. 03- _____
)	
Application for Approval of Assignment and)	
Transfer of International and Domestic)	
Section 214 authority)	

**APPLICATION FOR APPROVAL OF ASSIGNMENT AND TRANSFER OF
INTERNATIONAL AND DOMESTIC SECTION 214 AUTHORIZATIONS**

Lightyear Communications, Inc. ("Lightyear"), Lightyear Telecommunications, LLC ("LLC," and with Lightyear, the "Lightyear Companies") along with Lightyear Network Solutions, LLC ("New Lightyear" and, collectively with Lightyear, "Applicants"), through their undersigned counsel and pursuant to pursuant to Section 214 of the Communications Act of 1934, as amended, 47 U.S.C. § 214 (the "Act"), and Sections 63.04 and 63.24(a) of the Rules of the Federal Communications Commission ("Commission"), 47 C.F.R. §§ 63.04 and 63.24(a), hereby respectfully request that the Commission grant authority, to the extent necessary, to permit Applicants to consummate a series of transactions through which Lightyear will emerge from bankruptcy through the transfer of substantially all of its assets to New Lightyear.

Pursuant to Section 63.04(b) of the Commission's Rules, 47 C.F.R. § 63.04(b), Applicants are filing a combined domestic and international Section 214 transfer of control application. In connection with the Lightyear Companies' international Section 214 authorizations, Applicants provide below the information required by Section 63.24(a) of the

Commission's Rules, 47 C.F.R. § 63.24(a) Exhibit A provides the additional information requested by Section 63.04(a)(6) through (a)(12) of the Commission's Rules, 47 C.F.R. § 63.04(a)(6)-(12), in connection with the assignment of domestic Section 214 authority.

The Applicants respectfully request streamlined, expedited treatment of this Application pursuant to Section 63.12 of the Commission's Rules, 47 C.F.R. § 63.12. This Application qualifies for streamlined treatment because: (i) none of the Applicants are affiliated with a dominant foreign carrier; (ii) as a result of the transaction, none of the Applicants will be affiliated with any foreign carrier; and (iii) none of the other scenarios outlined in Section 63.12(c) of the Commission's Rules, 47 C.F.R. § 63.12, apply.

I. The Applicants

A. Lightyear Communications, Inc. and Lightyear Telecommunications, LLC

Lightyear is a Kentucky corporation providing both facilities-based and resold telecommunications services to customers in the United States. LLC is a Kentucky limited liability company licensed to provide telecommunications services in the United States. The Lightyear Companies are wholly-owned subsidiaries of Lightyear Holdings, Inc., a Kentucky corporation that serves solely as a telecommunications holding company. In a letter dated May 23, 2002, the Lightyear Companies notified the Commission of the *pro forma* assignment of its international Section 214 authorizations as a result of their restructuring proceeding commenced in the U.S. Bankruptcy Court for the Western District of Kentucky (the "Restructuring Notification").

B. Lightyear Network Solutions, LLC

New Lightyear is a newly formed limited liability company organized under the laws of Kentucky for the purpose of carrying out the transaction described herein. New Lightyear

is a wholly-owned subsidiary of LY Acquisition, LLC, a Kentucky limited liability company. As discussed in greater detail below, New Lightyear, as the successor of the Lightyear Companies, will acquire substantially all of the Lightyear Companies' assets, as well as the experience of its personnel in providing telecommunications services.

II. The Petitions in Bankruptcy

Since April 29, 2002, the Lightyear Companies have been operating under the protection of the United States Bankruptcy Code in a case pending in the Bankruptcy Court for the Western District of Kentucky ("Bankruptcy Court"). The transactions described below will allow a reorganization of the Lightyear Companies by transferring substantially all of the assets to New Lightyear, under the control of a new set of investors, with access to the capital required to allow New Lightyear to continue operating after the completion of the reorganization. The transaction will thus ensure that the Lightyear Companies' telecommunications customers will continue to receive services on an uninterrupted basis.

III. The Proposed Transaction

Petitioners propose to complete a series of transactions ("Transactions") whereby New Lightyear will acquire substantially all of the assets of Lightyear and LLC, and thus become the provider of telecommunications services to current customers of the Lightyear Companies.

The sale of assets has been approved pursuant to an auction conducted under the supervision of the U.S. Bankruptcy Court for the Western District of Kentucky on October 28, 2003. Pursuant to the terms of the Asset Purchase Agreement executed by Acquisition and the Lightyear Companies, Acquisition agreed to an estimated purchase price of \$33.5 Million through a combination of cash payment and debt assumption of the debtors to satisfy the creditors of the Lightyear Companies. At the time of closing, the assets of the Lightyear Companies will be transferred to Acquisition and then immediately transferred to

New Lightyear. After the transfer of assets to New Lightyear, New Lightyear will operate as a certificated carrier, and will provide telecommunications service to all current Lightyear and LLC customers. New Lightyear will continue to conduct its operations in substantially the same manner in which those operations are currently conducted by the Lightyear Companies. Immediately after the Transactions are completed, current customers of the Lightyear Companies will continue to receive service under the same rates, terms, and conditions that currently apply to their services. As a result, the proposed asset sale will be virtually transparent to customers in terms of the services that they receive.

IV. The Proposed Transaction Will Serve the Public Interest

Applicants respectfully submit that the proposed Transactions serve the public interest. In particular, Applicants submit that: (1) New Lightyear holds the managerial, technical, and financial qualifications to acquire the assets of the Lightyear Companies; (2) the Transactions will benefit competition in the telecommunications market by enabling Lightyear to resume its growth as an effective competitor; and (3) the Transactions will assure that there is no disruption of service and will be virtually transparent to existing customers of the Lightyear Companies

V. Timing

As discussed above, the Transactions are an important component of the New Lightyear reorganization and timely securing necessary regulatory authorities is key to stabilizing the assets to be sold. Accordingly, the Applicants request that the Commission commence its examination of the Transactions immediately. *The parties have been mindful* of the need to structure a transaction and proceed as quickly as possible to avoid any confusion or inconvenience to customers. The public interest would therefore support commencement of the review process at this time.

VI. Information Required by Section 63.24(e) of the Commission's Rules

In support of this Application, the Applicants submit the following information pursuant to Section 63.24(e) of the Commission's Rules, including the information requested in Section 63.18:

(a) Name, address and telephone number of Applicants:

Lightyear Communications, Inc.
Lightyear Telecommunications, LLC
1901 Eastpoint Parkway
Louisville, KY 40223
(502) 244-6666

Lightyear Network Solutions, LLC
201 East Main Street
Suite 1000
Lexington, KY 40502
(859) 231-8780

At the completion of the Transactions, Lightyear Network Solutions, LLC will be located at:

1901 Eastpoint Parkway
Louisville, KY 40223
(502) 244-6666

- (b) The Lightyear Companies are organized under the laws of Kentucky. New Lightyear is a limited liability companies also organized under the laws of Kentucky.
- (c) Correspondence concerning this Application should be sent to:

William B. Wilhelm, Jr.
Douglas D. Orvis II
Swidler Berlin Shereff Friedman, LLP
3000 K Street, NW, Suite 300
Washington, DC 20007-5116
(202) 945-6941 (Tel)
(202) 424-7645 (Fax)
WBWilhelm@swidlaw.com (Email)
DDOrvis@swidlaw.com (Email)

And

W. Brent Rice, Esq.
McBrayer, McGinnis, Leslie & Kirkland, PLLC
201 East Main Street
Suite 1000
Lexington, KY 40502
(859) 231-8780 (Tel)
(859) 231-6518 (Fax)

- (d) Lightyear Communications, Inc. has Section 214 authority pursuant to File No. ITC-214-19930903-00004. Lightyear Telecommunications, LLC has "global" Section 214 unilateral authority pursuant to File No. ITC-214-19980506-00299.
- (e)(3) By this Application, Applicants seek authority for a transaction that will result in the assignment of the Lightyear Companies' international and domestic Section 214 authorizations to New Lightyear.
- (f) Not applicable.
- (g) Not applicable.
- (h) The following entities will hold a 10% or greater ownership interest in the Lightyear Companies:

Lightyear Holdings, Inc.
1901 Eastpoint Parkway
Louisville, KY 40223
Citizenship: USA (Kentucky Corporation)
Principal Business: Telecommunications Holding Company
Ownership: 100%

The following entities will hold a 10% or greater ownership interest in Lightyear Holdings, Inc.:

J. Sherman Henderson III
1901 Eastpoint Parkway
Louisville, KY 40223
Citizenship: USA
Principal Business: Telecommunications
Ownership: 34%

Lightyear Partners, LLC
1901 Eastpoint Parkway
Louisville, KY 40223
Citizenship: USA
Principal Business: Telecommunications Investment
Ownership: 19%

There are no 10 percent or greater shareholders of Lightyear Partners, LLC.

The following company owns a 10 percent or greater interest in New Lightyear:

LY Acquisition, LLC
201 East Main Street
Suite 1000
Lexington, KY 40502
Citizenship: USA
Principal Business: Telecommunications Holding
Ownership: 100%

The following entities own a 10 percent or greater interest in LY Acquisition, LLC:

1. 50% LANJK, LLC
1901 Eastpoint Parkway
Louisville, KY 40223
Citizenship: USA
Principal Business: Telecommunications
Ownership: 50%

The sole 10 percent or greater interest in LANJK, LLC is held by Mr. J. Sherman Henderson, who is described above.

2. 29.87% SullivanLY, LLC
3111 S. Valley View, Ste. B-101
Las Vegas, NV 89102
Citizenship: USA
Principal Business: Investment
Ownership: 28.7%

The sole 10 percent or greater interest in SullivanLY, LLC is

- Tony Grappo
3111 S. Valley View, Ste. B-101
Las Vegas, NV 89102
Citizenship: USA
Principal Business: Investment
3. Rice-LY Ventures, LLC (PS: W. Brent Rice)
201 East Main Street
Suite 1000
Lexington, KY 40502
Citizenship: USA
Principal Business: Telecommunications Investment

The sole 10 percent or greater interest in Rice-LY Ventures, LLC is:

W. Brent Rice
201 East Main Street
Suite 1000
Lexington, KY 40502
Citizenship: USA
Principal Business: Legal services

The Applicants certify that none of members of the Applicants' board of directors also serve on the board of a foreign telecommunications carrier or a holding company whose subsidiary is a foreign telecommunications carrier.

- (i) The Applicants certify that they are not foreign carriers within the meaning of 63.09(d) of the Commission's Rules.
- (j) New Lightyear certifies that through its acquisition of the assets of the Lightyear Companies, it does not seek to provide international telecommunications services to any destination country where: (i) New Lightyear is a foreign carrier; (ii) any entity that owns more than 25 percent of new Lightyear, or that controls New Lightyear, controls a foreign carrier in that country; or (iii) two or more foreign carriers (or parties that control foreign carriers) own, in the aggregate more than 25 percent of New Lightyear and are parties to, or the beneficiaries of, a contractual relation affecting the provision or marketing of international basic telecommunications services in the United States.
- (k) Not Applicable.
- (l) Not Applicable.
- (m) New Lightyear qualifies for a presumption of non-dominance under Section 63.10(a)(1) as they are not a foreign carrier or affiliated with a foreign carrier.
- (n) New Lightyear certifies that it has not agreed to accept special concessions, as defined in Section 63.14(b) of the Commission's Rules, 47 C.F.R. §63.14(b), directly or indirectly, from any foreign carrier with respect to any U.S. international route where the foreign carrier possesses market power on the foreign end of the route, and will not enter into such agreements in the future.
- (o) Applicants certify, pursuant to Sections 1.2001 through 1.2003 of the Commission's Rules (implementing the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 3301), that they are not subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.
- (p) Applicants request streamlined processing of this Application pursuant to Section 63.12 of the Commission's Rules, 47 C.F.R. §63.12. This Application qualifies for streamlined processing under Section 63.12(c) of the Commission's Rules, 47 C.F.R. §63.12(c) because New Lightyear qualifies for a presumption of

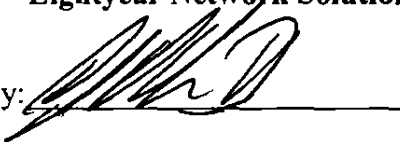
non-dominance under Section 63.10(a)(1) of the Commission's Rules, 47 C.F.R. §63.10(a)(1), as detailed in response to paragraph (m) above.

VII. CONCLUSION

Based on the foregoing, the Transactions, including the assignment of the Section 214 authorizations of the Lightyear Companies to New Lightyear will serve the public interest, convenience, and necessity.

Respectfully submitted,

Lightyear Communications, Inc.
Lightyear Telecommunications, LLC
Lightyear Network Solutions, LLC

By: 

William B. Wilhelm, Jr.
Douglas D. Orvis II
Swidler Berlin Shereff Friedman, LLP
3000 K Street, N.W. Suite 300
Washington, DC 20007

Date: December 22, 2003

EXHIBIT A

DOMESTIC SECTION 214 TRANSFER OF CONTROL INFORMATION

Pursuant to Section 63.04 of the Commission's Rules, 47 C.F.R. § 63.04, the Applicants request authority to assign the domestic authorization of the Lightyear Companies to New Lightyear. Applicants are filing a combined application to assign the authorizations pursuant to Section 63.04(b) of the Commission's Rules. 47 C.F.R. § 63.04(b). Applicants provide the following information in support of their request to assign the authorizations of the Lightyear Companies.

63.04(b)(6): Description of the Transaction

The Proposed Transaction is described in Section III of the application to which this Exhibit A is attached.

63.04(b)(7): Description of Geographic Service Area and Services in Each Area

The Lightyear Companies provide domestic resold and facilities-based interstate telecommunications services nationwide on a wholesale basis. New Lightyear will provide the same services in the same areas currently served by the Lightyear Companies.

63.04(b)(8): Presumption of Non-Dominance and Qualification for Streamlining

This Application is eligible for streamlined processing pursuant to Section 63.03(b)(1)(ii) of the Commission's Rules, 47 C.F.R. § 63.03(b)(1)(ii), because New Lightyear, the transferee, is not itself a telecommunications provider. In addition, this Application is eligible for streamlined processing pursuant to Section 63.03(b)(2)(i) of the Commission's Rules, 47 C.F.R. § 63.03(b)(2)(i). As a result of the Transaction, New Lightyear will have market share in the interstate, interexchange market of substantially

less than 10 percent, and New Lightyear will not be dominant with respect to any domestic service.

63.04(b)(9): Other Pending Commission Applications Concerning the Proposed Transaction

None.

63.04(b)(10): Special Consideration

As described in this Application, the Transaction is intended to facilitate the restructuring under Chapter 11 of the United States Bankruptcy Code. The Transaction has been approved by the U.S. Bankruptcy Court for the Western District of Kentucky. Thus, it is critical to a successful and orderly restructuring that the Applicants be permitted to consummate the Transaction as soon as possible.

63.04(b)(11): Waiver Requests (If Any)

None.

63.04(b)(12): Public Interest Statement

The Proposed Transaction is in the public interest for the reasons detailed in Section IV of the application to which this Exhibit A is attached.

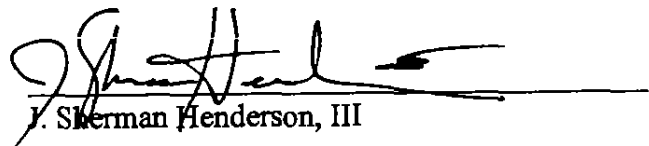
COMMONWEALTH OF KENTUCKY :

: ss.

COUNTY OF JEFFERSON :

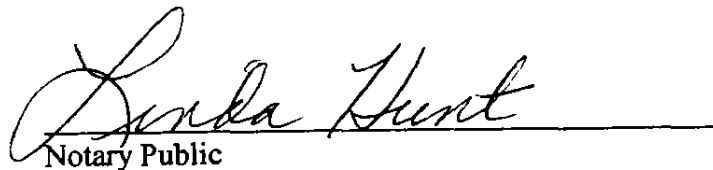
VERIFICATION

I, J. Sherman Henderson, III, state that I am President and Chief Executive Officer of Lightyear Holdings, Inc., the parent of Lightyear Communications, Inc. and Lightyear Telecommunications, LLC, Parties in the foregoing pleading; that I am authorized to make this Verification on behalf of Lightyear Communications, Inc.; that the foregoing document was prepared under my direction and supervision; and that the statements in the foregoing document are true and correct to the best of my knowledge, information, and belief.


J. Sherman Henderson, III

Lightyear Holdings, Inc. *gd*

Sworn and subscribed before me this 10TH day of December, 2003.


Notary Public

My commission expires: July 6, 2005.

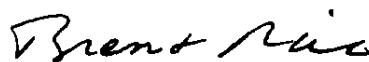
STATE OF KENTUCKY :

: ss.

COUNTY OF JEFFERSON :

VERIFICATION

I, Brent Rice, state that I am Interim Chief Executive Officer of Lightyear Network Solutions, LLC, Applicant in the foregoing Statement of Business Operations; that I am authorized to make this Verification on behalf of Lightyear Network Solutions, LLC; that the foregoing Statement of Business Operations was prepared under my direction and supervision; and that the statements in the foregoing document with respect to Lightyear Network Solutions, LLC are true and correct to the best of my knowledge, information, and belief.



Brent Rice
Interim Chief Executive Officer
Lightyear Network Solutions, LLC

Sworn and subscribed before me this 30th day of November, 2003.



Notary Public

My commission expires:

3/4/2004